



# FOREIGN POLICY bulletin

AN ANALYSIS OF CURRENT INTERNATIONAL EVENTS

VOLUME 38 NUMBER 12

## World Economic Revolution: What U.S. Policies?

by Richard N. Gardner

The United States is facing big and difficult decisions in its foreign economic policy—decisions made bigger and more difficult by recent economic achievements and policies of the Communist bloc.

The Communist leaders believe that the balance of world economic power will soon turn in their favor. Soviet Premier Nikita S. Khrushchev predicted at the 21st Communist party congress on January 27 that the U.S.S.R. would be outproducing the United States by 1970. Communist economic accomplishments, he boasted, would "attract millions of new adherents . . . and bring about tremendous changes not only in our own country but in the whole world."

No less significant for the United States than Communist production gains is the way the Soviet Union and its allies are using their increased production in an expanded program of trade and aid. The Communist leaders are using these programs as instruments to effect a basic change in the political orientation of the non-Communist world, particularly of the underdeveloped countries, which contain the vast majority of the world's population.

One kind of response to the Communist

economic challenge must lie in new domestic measures to accelerate United States economic growth. What these measures should be is already a subject of intense controversy.

The other kind of response, it is increasingly being realized, must lie in strengthening our foreign economic policy to assure greater growth and stability not only in the United States but throughout the entire free world.

Here are some of the decisions that the United States faces in its foreign economic policy during the months ahead:

1. *Should the United States increase its economic aid to underdeveloped countries?*

The present level of United States economic development assistance is about \$1 billion to \$1.5 billion a year. This is a tentative estimate, which includes agricultural commodity disposal and that portion of our "defense support" assistance which contributes to economic development, but excludes lending by the Export-Import Bank, whose "hard" loans are of limited usefulness for most underdeveloped countries. Many experts consider that the present level of aid is insufficient to assure the minimum rate of free world growth consistent with our foreign policy objectives.

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In response to criticisms about the inadequacy of our aid effort, the Administration two years ago established the Development Loan Fund (DLF) to make loans to underdeveloped countries on easier terms than those hitherto available, including loans repayable in local currencies. The resources given DLF, however, have been modest; they are now fully loaned up. This year the Administration is seeking \$700 million in new obligational authority for DLF. Although this proposal is still too modest to satisfy some critics, it faces serious opposition in the new Congress.

*2. Should more United States aid be channeled through international agencies?*

Except for its contribution to the relatively small UN programs (Expanded Program of Technical Assistance and Special Projects Fund) and its participation in the World Bank, the United States has clung jealously to bilateral administration of its aid to underdeveloped countries. Recently, there has been increasing pressure both at home and abroad for greater use of international institutions.

The United States has now taken a leading role in drafting a plan for an inter-American bank, which may be presented for congressional approval this year. Our contribution to the bank will probably come from the Development Loan Fund.

Still more ambitious is the proposal for an International Development Association (IDA), originally put forward by Senator A. S. Mike Monroney last year and endorsed by

Senate Resolution 264. Operating as an affiliate of the World Bank, IDA would make use of soft currencies held by the United States, but would probably require a considerable amount of hard currency financing as well. The proposal will be debated during the months ahead in Washington and other free world capitals.

*3. What new measures should be taken to stimulate private investment abroad?*

The Administration has asked Congress to increase our guarantee of World Bank securities as part of a general increase in Bank quotas. Approval of this proposal would greatly increase the Bank's ability to secure private funds for lending to underdeveloped countries. Proposals are also before Congress to broaden the scope of the United States investment guaranty program and to enact certain comparatively minor changes in United States taxation of American foreign investment. Additional proposals for stimulating United States investment abroad may result from various studies of the question now under way.

*4. What should the United States do with other countries to stabilize world trade?*

The recent fall in primary commodity prices, aggravated in some cases by Communist-bloc export policies, has undermined the financial stability of many underdeveloped countries which depend on the export of one or two commodities for the bulk of their foreign exchange earnings. To help cure financial instability from these and other causes,

the members of the International Monetary Fund have agreed to increase the Fund's resources by 50 percent. This will make new funds available for short-term lending to countries in balance-of-payments difficulties. In accordance with the overall increase in Fund quotas Congress has been asked to approve an increase of \$1,375,000,000 in the American subscription.

A more controversial question on the subject of stability is whether or not the United States should participate in any new international agreements to stabilize the prices of primary commodities. This question becomes particularly pressing now that Washington has ended its boycott of the Commission on International Commodity Trade currently meeting at the UN.

*5. How should the United States deal with rising demands for higher tariffs and quotas from domestic industries claiming injury from import competition?*

The renewal of a patched-up reciprocal trade bill last year did not resolve this problem. It was raised in dramatic form early this year when the Office of Defense and Civilian Mobilization (ODCM) awarded a contract for two hydraulic turbines for Greer's Ferry Dam in Arkansas to an American firm whose bid was 21 percent higher than that of a British competitor. The defense of the ODCM decision on the grounds of national security was greeted with widespread skepticism. Controversy is raging, too, over

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# The Middle East: Human Meaning of Modernization



by Daniel Lerner

Dr. Lerner, who received his Ph.D. at Stanford University, has been professor of sociology at Massachusetts Institute of Technology since 1953. He is the author of many books, the most recent of which is *The Passing of Traditional Society: Modernizing the Middle East* (Glencoe, Illinois, The Free Press, 1958.)

Areas of the world now in process of modernization were once called "colonial," then "backward," then "underdeveloped." These were our words in the West. The countries so described never thought of themselves as "areas" at all, and certainly not in such abstract terminology. Now that they can throw out their rulers they are no longer "colonial." Now that they can express criticism of our civilization they are no longer "backward." Now that they can reject our aid and advice, they may no longer be treated as "underdeveloped."

What are they, then, these countries with a present so different from their past? How shall we of the West think of them, now that we cannot run the United Nations or avoid the Big War without their consent? now that we cannot even give them money, much less love, without their permission?

## West No Longer Dominant

Not so long ago, in the Middle East, one could identify peoples learning new ways by the nationality of their foreign rulers. Egyptians were "Anglicized," Levantines were "Gallicized." This process of "Europeanization" affected only a thin elite layer of the indigenous society through the class media of universities, books, travel. The "Americanization" process cut somewhat deeper into the indigenous society through the mass media of movies, radio, tabloids—even locating its universities within the indigenous areas (American University of Beirut,

American University at Cairo, Robert College in Istanbul, etc.). But those varied Atlantic stimuli, as transmitted around the "backward" world, did exhibit a common mechanism and a common portent under the title of "Westernization."

Since World War II, the global quest for new ways has been coupled with a repudiation of the Western aegis. Any label which describes the West as the fount of innovation is bound to seem parochial at a time when similar westernizing influences also come from the U.S.S.R. Accordingly, nowadays, we speak simply of "modernization."

Whether modernization comes from East or West, it poses the same basic challenge—the infusion of a "rationalist and positivist spirit" against which, scholars seem agreed, "Islam is absolutely defenseless." The phasing and modality of the process have changed, however, in the past decade. Where Europeanization once penetrated only the upper level of Middle East society, affecting mainly leisure-class fashions, modernization today is diffused among a wider population and touches public institutions as well as private aspirations with its disquieting "positivist spirit." This change is reflected by the shift in modes of communicating ideas and attitudes. Not the class media of books and travel, but the mass media of tabloids, radio and movies are now the dominant modes. Today's Middle East "chaos" is largely due to the shift of modernist inspiration from the discreet discourse of a few in Oxford colleges

and Paris salons to broadcast exhortations among the multitudes by the mass media.

President Gamal Abdel Nasser of Egypt has put the case succinctly: "It is true that most of our people are still illiterate. But politically that counts far less than it did 20 years ago. . . . Radio has changed everything. . . . Today people in the most remote villages hear of what is happening everywhere and form their opinions. Leaders cannot govern as they once did. We live in a new world."

## Mass Media Revolution

Nasser points to a critical transformation of traditional society in the Middle East as elsewhere in the underdeveloped world—namely, the "mass media revolution." Today through radios, movies and picture magazines, those millions of impoverished villagers and townspeople who cannot read learn "what is going on" beyond their isolated, constrictive round of daily life. On this new force the charismatic leaders of the postwar decade—Nehru, Sukarno, U Nu, Mossadegh, Nkrumah, Nasser—have counted heavily. As their experience has shown, however, the mass media are not a substitute for political economy—only a part of all that goes on within a society.

For, at bottom, the Western pattern of modernity pervades the tacit assumptions and proclaimed goals which prevail among Middle East spokesmen. That some of these leaders denounce the West when convenient for diplomatic maneuvers is



politically important and explains why we speak of "modernization" rather than "Westernization." More important, Western society still provides the most developed model of those attributes—power, wealth, skill, rationality—which Middle East spokesmen continue to advocate as their own goal. What the West is, the Middle East seeks to become.

But these societies-in-a-hurry have little patience with the historical pace of Western development; what happened in the West over centuries, some Middle Easterners now seek to accomplish in a few years. Moreover, they want to do it their "own way." A complication of Middle East modernization is its own ethnocentrism—expressed politically in extreme nationalism, psychologically in passionate xenophobia. The hatred sown by anticolonialism is harvested in the rejection of every appearance of foreign tutelage.

What the Middle Easterners want are modern institutions but not modern ideologies, modern power but not modern purposes, modern wealth but not modern wisdom, modern commodities but not modern cant. It is not clear, however, whether modern ways and words can be so easily and so totally sundered. Underlying the various ideological forms which modernization took in Europe, the United States and Russia, there have been certain behavioral and institutional compulsions common to all. These historical recurrences some Middle East leaders now seek to bypass, trying instead risky new detours. Let us recall briefly some essential elements in the modernization of the West.

People of Western culture have become accustomed to the sense of change and attuned to its various rhythms. Many generations ago, in the West, ordinary men found themselves unbound from their native soil and relatively free to move.

Once they actually moved in large numbers, from village homes to apartments and from fields to factories, they acquired the idea of change by direct experience. This mobility bore little resemblance to the migrant or crusading hordes of yore, driven by war or famine. This was movement by individuals, each of whom had made a personal choice to seek elsewhere his own version of a better life.

Physical mobility so experienced naturally brought about social mobility, and gradually there grew institutions appropriate to the process.

Social institutions founded on voluntary participation by mobile individuals required a new array of skills and a new test of merit. Every person, according to the new democratic theory, was equally entitled to acquire the skills needed for shaping his own "future" in the "Great Society."

### The Mobile Society

A mobile society has to encourage rationality. People come to believe that the social future is not preordained but can be manipulated, and to see personal prospects in terms of achievement rather than heritage. Rationality is purposive: ways of thinking and acting are instruments of intention, not articles of faith; men succeed or fail by the test of what they accomplish, not what they worship. So whereas traditional man tended to reject innovation by saying, "It has never been thus," the contemporary Westerner is more likely to ask, "Does it work?" and try the new way without further ado.

This requires empathy, which is the capacity to see oneself in the other fellow's situation. This is an indispensable skill for people moving out of traditional settings. Ability to empathize may make all the difference, for example, when the newly mobile person is a villager who grew

up knowing all the individuals, roles and relationships in his environment. Outside his village or tribe, he must meet new individuals, recognize new roles and learn new relationships involving himself. A rich literature of humor and pathos once dealt with the adventures of the country bumpkin in the Big City, the bewildered immigrant in a strange land, who had to learn their way in those new settings. Learn, in swelling numbers, they did. The story of the 19th-century West includes this learning, which now enters the story of the 20th-century East. What is important for us is to understand the process by which the person who puts himself in the other fellow's situation tends to become also the cash customer, the radio listener, the voter.

The historic increase of psychic mobility, which began with the expansion of physical travel, means that more people now command greater skill in imagining themselves as strange persons in strange situations, places and times than did people in any previous historical epoch. The earlier increase of physical experience through transportation has been multiplied by the spread of mediated experience through mass communication. Radio, film and television climax the evolution set into motion by Gutenberg's printing press. The mass media opened the infinite universe vicariously to the large masses of mankind. Many more millions of persons in the world were to be affected directly, and perhaps more profoundly, by the communication media than by the transportation agencies. As a result, there is now a genuine "world public opinion," and its scope accelerates at an extraordinary pace. This has happened because millions of people, who never left their native heath, are now learning to imagine how life is organized in different lands

and under different systems than their own.

### **What is Modernity?**

Given Nasser's eulogy of radio as creating a "new world," then, why is the course of social change in Egypt and elsewhere in the Middle East so disjointed and disruptive? The reason is that hitherto modern media systems have flourished only in societies that are modern by other tests. That is, the media spread psychic mobility most efficiently among peoples who had already achieved in some measure conditions of geographic and social mobility.

The system of modernization follows a historical pattern—each phase tends to generate the next phase. To understand the position of those millions who may be caught in some historical lag today, let us look more closely at three phases.

The first phase is urbanization. It is the transfer of population from scattered hinterlands to urban centers that stimulates the needs and provides the conditions needed for "take-off" toward widespread participation. Only cities require a largely literate population to function properly—for the organization of urban life assumes enough literacy to read labels, sign checks, ride subways. By drawing people from their rural communities, cities create the demand for impersonal communication. By promoting literacy and media, cities supply this demand. Once the basic industrial plant is in operation, the development of a participant society passes into a subsequent phase. When voluntary urbanization exceeds 25 percent, thereby assuring the conditions of modern production, further urbanization no longer automatically guarantees equivalent increases in consumption. The need then shifts to modernizing the conditions which govern consumption.

Of this second phase, literacy is

both the index and agent. To spread consumption of urban products beyond the city limits, literacy is an efficient instrument. The great symbol of this phase is the Sears Roebuck catalogue. The mail-order house replaces the peddler only when enough people can read catalogues and write letters. In this sense literacy is also the basic skill required for operation of a media system. Only the literate produce the media contents which mainly the literate consume. Hence, once societies are about 25 percent urbanized, a different social system is in operation than that which governed behavior in a society that was under 10 percent urban and under 40 percent (roughly, less than half) literate. For, when most people in a society have become literate, they tend to generate all sorts of new desires and to develop the means of satisfying them.

### **Hurdles to Modernization**

It is this interplay of new desires and satisfactions which characterizes the third phase of modernization—media participation. Once people are equipped to handle the new experiences produced by mobility (through their move to the city), and to handle the new experiences conveyed by media (through their literacy), they then seek the satisfactions which integrate these skills. They discover the tingle of wondering "what will happen next" — the tingle that sounds the knell of traditional society; of routinized lifeways in which everyone knew what would happen next because it had inevitably to follow what came before. This was the phase in which the West developed the "penny press," early symbol of the accelerating supply and demand for media products, which continues today with the pocket radio and the portable TV.

It should be noted that democratic

government comes late, historically, and typically appears as a crowning institution of the participant society.

When the underdeveloped lands of the world are tested by our model of modernity, the enormous hurdles in the path to modernization stand out more clearly. What the West accomplished gradually over three centuries is not so easy for the East to achieve rapidly in the present one.

Take the factor of physical mobility, which initiated the West's take-off in an age when the earth was underpopulated in terms of the world's man-land ratio. Land was to be had, more or less, for the finding. The great explorers took over vast real estate by planting a flag; these areas were slowly filled with new populations over generations. Since then, the earth's population has multiplied many times, while its acreage has remained about the same. Today exploration occurs mainly in outer space or inner psyche, while the man-land ratio discourages international mobility. Immigration laws in the more developed countries are designed to keep underdeveloped peoples at home.

In the underdeveloped countries, physical mobility still takes mainly the form of urbanization. But urbanization is no simple panacea for all ills. We have seen that its historic function is to stimulate take-off; thereafter it yields priority to other factors of self-sustaining growth. The critical limits of urbanization required in each country depend on the size of its population, more particularly on its man-land ratio. It is this which impedes take-off in many underdeveloped but overpopulated countries; where the man-land ratio is very high, urbanization is indispensable but hard to achieve according to rational plan. In such countries the natural population increase tends to exceed the growth of resources (including usable land), and

population density rises steadily.

Sheer density of population, without countervailing urbanization, operates in turn as an antiliteracy force in most societies. Education is cheaper when pupils live close together, and hence, other things being equal, density should be associated with greater literacy. But, without urbanization, other things are not equal—that is the production, distribution and consumption of wealth are much lower. This has a direct depressing effect on all public services, notably free public education. Dense non-urban societies, where national income is relatively small, tend to maintain relatively fewer schools by public funds. Also, since per capita income is lower and less widely distributed, fewer individuals can afford to attend school.

Hence, the more people there are in a given area, the smaller is the proportion being educated and the harder it is to get a rising proportion of literates among them—until they begin to be resettled in cities. In sparsely settled lands the influence of urbanization is less marked, and literacy rates will probably respond directly to rises in per capita national income. Only when dense populations show a significant rate of urbanization do literacy rates begin to rise. Whereas the modern nations have achieved optimum relations between urbanism, literacy and media participation, the traditional societies exhibit extremely variant “growth” patterns. Some are more urban than literate, others more media participant than urban.

Since the stability of modern societies has been associated over past centuries with the whole “system” of participant behavior gradually evolved, how can these new societies-in-a-hurry hope to achieve stability while acquiring mobility?

This is the problem of transition.

How individuals change is the secret of how institutions change. It is by breaking through the constrictive traditions and routinized lifeways of rural isolation that individuals gain the opportunity to acquire a modern style of life for themselves. And societies “go modern” to the extent that their individual members do so.

### The Process of Transition

The transition to participant society hinges on the desire among individuals to participate. It grows as more and more individuals take leave of the constrictive traditional universe and move toward the expansive new land of their hearts’ desire. The great change occurs when an individual begins to “have opinions”—particularly on matters which, according to his neighbors, “do not concern him.”

The moral issues of modernization are often reduced to this: Should Middle Easterners want what they want? Since they want what we have, Western responses to this question usually reflect only our own value dilemmas. More relevant is the judgment of Middle Easterners on what they have and what they want. If we resist the temptation to judge conflicting preferences among other peoples, at least long enough to see how they make their own choices, then we have a sounder basis for our opinions.

For example, a very important finding of our study—*The Passing of Traditional Society: Modernizing the Middle East*—is that Middle Easterners who are modernizing consider themselves happier than do those who remain within traditional lifeways. This is in striking contrast with the impressions conveyed by some observers, often from highly modern settings themselves, who feel that the undermining of traditional ways by new desires must be a net

loss. Among such observers the passing of cherished images of passive peasantry, noble nomads, brave Bedouins evokes regrets. But these regrets are not felt by the modernizing peasants, nomads, Bedouins themselves, or are felt less disapprovingly by them than by the moderns who study them and love the familiar way they used to be.

We have stressed the psychological dimension because the great dramas of a society’s transition are enacted by individuals involved in solving their personal problems and living their private lives. But certain of these dramas signify more for the future than others. In the drama of modernization, those who have already incorporated the trends of the times (the “moderns”) and those who have not yet been touched by them (the “traditionals”) have a relatively static posture. The meaning of events is best clarified by the “transitionals” whom we perceive at the moment of “engagement”—a moment which occurs when an expansive individual perceives connections between his private dilemmas and public issues.

This is political consciousness, in the larger sense, and its acquisition distinguishes those who have been pierced by the present and, in responding, shape the future.

The “transitionals” are our key to the changing Middle East. For they are today passing from what they once were to what they are becoming. Their passage, writ large, is the passing of traditional society from the Middle East.

READING SUGGESTIONS: Walter Z. Laqueur, ed., *The Middle East in Transition* (New York, Praeger, 1958); Gamal Abdel Nasser, *Egypt's Liberation: The Philosophy of the Revolution* (Washington, D.C., Public Affairs Press, 1955); Hazem Zaki Nusseibeh, *The Ideas of Arab Nationalism* (Ithaca, N.Y., Cornell University Press, 1956); Benjamin Shwadran, *The Middle East, Oil and the Great Powers* (New York, Praeger, 1955).



## Khrushchev's Plans: Boasts or Realities?

The 21st congress of the Communist party in Moscow, held from January 27 to February 5, revealed both the hopes and the weaknesses of the Communist bloc.

The hopes, as expressed by Premier Nikita S. Khrushchev and his associates, notably First Deputy Premier Anastas I. Mikoyan and Marshal Rodion L. Malinovsky, defense minister, focused on the economic and military challenges which the U.S.S.R. is hurling at the West, and particularly at the United States.

### Economic Goals

In the economic field Mr. Khrushchev reiterated his earlier goals for a seven-year plan under which, he predicted, Soviet production would continue to grow at a rate of 8 to 10 percent compared to 2 percent in the United States. Victories in economic competition, not war, he argued, will insure the triumph of communism. At the same time, Soviet spokesmen claimed that the U.S.S.R. had forged ahead of the United States in the quantity production of long-range missiles, and could deliver pinpoint attacks on the United States from Russian soil 5,000 miles away.

Are these claims fanciful boasts—or must they be regarded as realistic expectations? A leading student of Russia's economy, Professor Abram Bergson of Harvard University, has estimated that, in spite of impressive strides toward industrialization, the average real wage—the goods and services earned—of a Russian worker remains about one-fourth of that of the American worker.

According to Mr. Khrushchev, however, the seven-year plan will bring about an 80 percent increase

in industrial production and a 70 percent increase in agricultural output over the same period. Under the plan heavy industry would be substantially expanded, with steel output, to give one example, expected to reach a higher level than our output in 1958. The plan also calls for increases in consumer goods and agricultural products—especially meat—and, to quote Harry Schwartz of *The New York Times*, “the most massive housing construction program in Soviet history.” There is to be “more sweets and less bitter” in the life of the Russian citizen. The expanded industrial resources are to produce more ICBM's and more space rockets. And the U.S.S.R. is to step up its economic aid to the newly developing countries of the non-Western world—with Iraq added to its list in the Middle East.

American experts believe that even if the development projects of which the Soviet leaders boasted at the Moscow congress should fall short of their targets—as has happened in various instances on previous occasions—the U.S.S.R. will move ahead economically, at a pace which will force the United States, as the technologically most advanced country in the world, to retool its economy for increased growth if it is not to be outstripped by the U.S.S.R., which hitherto had been seeking to outstrip this country. Meanwhile, the unsettled debate in Washington as to which of the two superpowers has the lead in missiles brought many statements from various experts which, although not always in agreement, seem to indicate that while the two countries, on the whole, are at present running neck and neck, the

Russians probably are ahead in missile and space technology, with a particular advantage in rocket engines.

For the U.S.S.R. the achievement of economic and military strength which the proponents of the “containment” policy, first formulated by George F. Kennan in 1950, had not foreseen is a matter of confidence-building pride. An industrialized Russia, divided from West Germany by Eastern European neighbors which are also in the throes of industrialization, considers itself a match for West Germany—in sharp contrast to the situation it faced in 1939.

From Moscow's point of view this new balance of economic and technological power could prove a more effective safeguard than increased armaments against future attacks from the West such as Russia experienced in the first and second world wars. This new feeling of security, in turn, may conceivably be the reason for Moscow's current emphasis on a “thaw” in East-West relations.

### Soviet Weaknesses

At the same time the 21st congress revealed weaknesses and apprehensions in the Soviet bloc. It is increasingly evident that Khrushchev, great as is his faith in the material capabilities of the Communist world, does not expect Communist ideology to win out in the Western nations. Nor have the fires of controversy between Communist leaders been subdued—as indicated by renewed attacks, on the home front, on the “antiparty” group which had opposed Khrushchev's domestic and foreign policies and, abroad, on heretical Yugoslavia and on Nasser,



accused of erroneously lumping together colonialism and communism as dangers to the Arab states.

By contrast, the gap which had seemed to be developing between the U.S.S.R. and Communist China was apparently bridged; and on February 5 the Chinese Communist party gave unequivocal acknowledgment to the ideological leadership of the Russian party, soft-pedaling its previous drive to create communes. Yet Mr. Khrushchev's impassioned denial of Senator Humphrey's report that the Soviet premier had told him the Chinese communes were "reactionary" created the impression that Russo-Chinese disagreement had not been wholly assuaged. And meanwhile the U.S.S.R. is aware that its industrial and military power may not prove sufficient to offset that of a reunited Germany allied with the United States.

The 21st congress ended on a note of urgency which appeared to support the view of some Western experts who have contended that Moscow is eager to end the cold war, not as a matter of propaganda, but in order to strengthen its own position at home and abroad.

In his closing address to the congress on February 5 Mr. Khrushchev, rhetorically addressing himself to Mr. Dulles, said, "If you insist, Mr. Dulles, we are prepared for the sake

of ending the cold war to concede 'victory' in this 'war,' which bodes no good to the people, to you. Gentlemen; consider yourselves the 'victors' in this 'war' just so you end it forthwith." He appealed directly to President Eisenhower, inviting him to visit the U.S.S.R. "without insisting on reciprocity"—that is, an invitation to Mr. Khrushchev, which he has been clearly eager to obtain, to visit the United States. Meanwhile, however, the publication on February 5 by the State Department of a tape recording of voices purported to be those of Russian fighter pilots while they were shooting down an unarmed Air Force transport over Armenia on September 2, 1958, reinforced the scepticism of those in Executive and congressional circles who continue to doubt the trustworthiness and morality of the Russian leaders.

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quantitative limitations on United States oil imports. And the United States Tariff Commission is busier than ever with new requests for protection against import competition.

These developments have stimulated new interest in proposed alternatives to tariff and quota protection—temporary government aid to help

injured producers and workers in nondefense industries shift to other lines of production, and selective subsidies to industries which are really essential to the national defense.

6. *Should the United States favor greater trade with the Communist bloc?*

For several years there has been mounting pressure from United States allies in Europe and Asia for more trade with the Communist bloc. Recently the same objective has been quietly pushed by American businessmen and some United States observers who feel that more Russo-American trade could work to our advantage. The visit of First Deputy Premier Anastas I. Mikoyan brought the whole question out into the open.

The United States may soon have to decide whether it favors more trade with the Communist bloc by itself or its allies; what commodities it would be prepared to export and receive from the Communist bloc in return; what credits, if any, it is prepared to grant; and what institutions it will favor to assure equitable trading relationships between free-market and state-trading countries.

Richard N. Gardner, associate professor of law at Columbia University, is the author of the current *Headline Series*, "New Directions in U.S. Foreign Economic Policy."

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MR. PAUL MANLEY  
17917 SCHENELY AVE.  
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